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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/039,535	01/04/2002	Gregory S. Saunders	473.02	9374
7590 Todd A. Noah Dergosits & Noah LLP Suite 1450 Four Embarcadero Center San Francisco, CA 94111			EXAMINER OYEBISI, OJO O	
			ART UNIT 3692	PAPER NUMBER
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		04/18/2007	PAPER	

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

## Office Action Summary

Application No.

10/039,535

Applicant(s)

SAUNDERS, GREGORY S.

Examiner

OJO O. OYEBISI

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3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 05 October 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

In the amendment filed on 10/05/06, the following have occurred claims 1-7, 9, and 13-14 have been amended and claims 1-17 remain pending.

#### ***Response to Arguments***

1. Applicant's arguments filed 10/05/06 have been fully considered but they are not persuasive. The applicant argues in substance that the claimed method for determining an interest rate is very different than the prior art described in the background of the invention. The applicant further argues that the inventive process requires additional steps that factor in the LTV for the property and offsets to determine a more accurate interest rate for a wider range of loan conditions than the prior art methods. The background of the application does not disclose any adjustments to the quotation based upon the LTV or offsets. Contrary to the applicant's assertion, the examiner submits that the additional steps, mentioned by the applicant, of factoring in the LTV for the property and offsets to determine a more accurate interest rate for a wider range of loan conditions can be done manually. The applicant further argues that the present invention uses the loan size, property value and property type as factors to determine the interest rate. Contrary to the applicant's assertion, the examiner submits that it is mentioned in the background of the invention that one popular type of interest rate quotation is the cash flow-based interest rate in which the interest rate is determined or estimated by a lender based primarily upon the amount of a property's net cash flow relative to the loan payment amount. Thus, since loan size, property value

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and property type are factors/variables. These variables, in addition to the property's net cash flow, can be manually used as factors to determine the interest rate.

The applicant has amended the claims and introduced additional method steps into the claims to further distinguish his inventive process over the prior art manual process. However, since the method steps stated in claims 1-17 are used in providing an online loan quotation from a lender to a user. And since the present system, by the applicant's own admission, only automates the calculation of a cash flow-based interest rate so as to materially resolve the circular reference inherent in the determination of a cash flow-based interest rate. Thus, the method steps stated in claims 1-18 can be performed manually. Note that it was known at the time of the invention that merely providing an automatic means (i.e., online loan quotation) to replace a manual activity (i.e., manual loan quotation) which accomplishes the same result is not sufficient to distinguish over the prior art, *In re Venner*, 262 F.2d 91, 120 USPQ 193, 194 (CCPA 1958).

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
  2. Ascertaining the differences between the prior art and the claims at issue.
  3. Resolving the level of ordinary skill in the pertinent art.
  4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
3. Claims 1-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over applicant's disclosure in the background of the invention. The applicant discloses in the background of the invention that "the present methods of providing interest rate quotations are generally manual methods in which loan company or bank personnel use the DSCR to visually identify an appropriate interest rate published on a pricing grid. Such a pricing grid is typically an industry standard matrix of recommended interest rates or spreads corresponding to specific DSCR values, and may be published periodically and made available to interested lenders. Interest rates can be determined and quoted based on various different loan and borrower parameters. One popular type of interest rate quotation is the cash flow-based interest rate in which the interest rate is determined or estimated by a lender based primarily upon the amount of a property's net cash flow relative to the loan payment amount (i.e., DSCR). In general, as net cash flow increases relative to the loan payment, the interest rate decreases...What is needed, therefore, is an improvement over present manual methods of providing loan quotations that rely on the visual identification of

appropriate interest rates published on a pricing grid based on DSCR values.

This is provided by a loan application and interest rate quotation system that automates the calculation of a cash flow-based interest rate so as to materially resolve the circular reference inherent in the determination of a cash flow-based interest rate.” (see applicant’s background of the invention, pg 4 line 14 –pg 5 line15). Thus, since applicant’s claimed invention is merely automating a manual loan quotation method, as evidenced by applicant’s own admission in the background of the invention (i.e., What is needed, therefore, is an improvement over present manual methods of providing loan quotations that rely on the visual identification of appropriate interest rates published on a pricing grid based on DSCR values. This is provided by a loan application and interest rate quotation system that automates the calculation of a cash flow-based interest rate, see applicant’s background of the invention, pg 4 lines 7-15). However, it was known at the time of the invention that merely providing an automatic means (i.e., online loan quotation) to replace a manual activity (i.e., manual loan quotation) which accomplishes the same result is not sufficient to distinguish over the prior art, In re Venner, 262 F.2d 91, 120 USPQ 193, 194 (CCPA 1958). In other words, there is no enhancement found in the claimed step other than the known advantage of increased speed. The end result is the same as compared to the manual method. It would have been obvious to a person of ordinary skill in the art at the time of the invention to automate, using a network-based online process, the manual step of providing loan quotation from a lender to a user; because this would

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speed up the determining step which is purely known and expected result from automation of what is known in the art.


### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, RICHARD E. CHILCOT can be reached on (571)272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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 4/16/07  
JAMES A. KRAMER  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600